

## National Credit Union Administration

## § 705.10

must still demonstrate a purpose consistent with the goals of the Fund. Loans and technical assistance grants made under this section are not anticipated to be a regular source of funding for any Qualifying Credit Unions.

### § 705.8 Qualifying state-chartered credit unions.

A Qualifying Credit Union that is a state-chartered credit union and has submitted an Application to NCUA for participation must obtain written concurrence from its respective state regulatory authority before NCUA will approve its Application. A Qualifying Credit Union that is a state-chartered credit union must also make copies of its state examination reports available to NCUA and must agree to examination by NCUA.

### § 705.9 Reporting and monitoring.

(a) *General.* NCUA's policy is to monitor Participating Credit Unions to assure that loan and technical assistance grant funds awarded under this Part have been used in accordance with their intended purposes and to determine whether anticipated outcomes have been achieved. Particular emphasis will be placed on reviewing loan funds earmarked for programs or initiatives proposed by the Participating Credit Union to determine if the funds have been used as represented and whether the program or initiative has had the impact anticipated by the Participating Credit Union.

(b) *Reporting.* A Participating Credit Union must complete and submit all required reports, at such times and in such formats as NCUA will direct. Such reports must describe how the Participating Credit Union has used the loan or technical assistance grant proceeds and the results it has obtained, in relation to the programs, policies, or initiatives identified by the Participating Credit Union in its application. In addition, the Participating Credit Union's board of directors must report on the progress of providing needed community services to the Participating Credit Union's members once a year, either at the annual meeting or in a written report sent to all members. The Participating Credit Union must also submit to NCUA the written report or a

summary of the report given at the annual meeting. NCUA may request additional information as it determines appropriate.

(c) *Monitoring.* At its discretion, for verification purposes and as part of its evaluation of the effectiveness of the loan and technical assistance grant programs, NCUA may elect to review information concerning Participating Credit Unions to which it already has access, including information obtained through the examination process and data contained in Call Reports.

### § 705.10 Technical assistance grants.

Technical assistance grants may be funded in such amounts, and in accordance with such terms and conditions, as NCUA may establish. In general, technical assistance grants are provided on a reimbursement basis, to cover expenditures approved in advance by NCUA and supported by receipts evidencing payment by the Participating Credit Union.

(a) *Permissible uses of technical assistance grant funds.* Section 705.4(a) and (b) of this part also apply to technical assistance grants made under this section. Those sections provide examples and other information with respect to the permissible use of CDRLF funds. In addition, technical assistance grants generally should enhance and support the Participating Credit Union's internal capacity to serve its members and better enable it to provide financial services to the community in which the Participating Credit Union is located.

(b) *Appeals of technical assistance grant reimbursement denials.* Pursuant to NCUA Interpretative Ruling and Policy Statement 11-1, any Participating Credit Union may appeal a denial of a technical assistance grant reimbursement to NCUA's Supervisory Review Committee. All appeals of technical assistance grant reimbursements must be submitted to the Supervisory Review Committee within 30 days from the date of the denial. The decisions of the Supervisory Review Committee are final and may not be appealed to the NCUA Board.